



**SYARIKAT TAKAFUL MALAYSIA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009**

	Current Quarter Ended 31.12.2009 RM'000	Corresponding Quarter Ended 31.12.2008 RM'000	Current Year To Date 31.12.2009 RM'000	Corresponding Year To Date 31.12.2008 RM'000
Operating revenue	235,215	253,757	478,520	491,772
Transfer from Revenue Accounts				
- Family Takaful	16,650	9,721	38,736	28,583
- General Takaful	26,768	30,573	47,297	43,187
Wakalah fee income	17,117	5,218	32,860	15,205
Investment income	2,053	2,379	5,221	3,686
Other operating expenses (net)	(3,689)	(3,484)	(5,331)	(4,131)
Management expenses	(38,185)	(35,699)	(73,190)	(75,267)
Profit before zakat and taxation	20,714	8,708	45,593	11,263
Zakat	(212)	(980)	(865)	(1,994)
Taxation	(5,820)	430	(11,715)	150
Profit for the year	14,682	8,158	33,013	9,419
Attributable to:				
Shareholders of the Company	13,955	6,085	31,627	7,568
Minority Interest	727	2,073	1,386	1,851
Profit for the year	14,682	8,158	33,013	9,419
Earnings per share (sen) ( Note 25 )				
Basic	8.57	3.75	19.42	4.66
Diluted	8.57	3.75	19.42	4.66

*The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.*



**SYARIKAT TAKAFUL MALAYSIA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2009**

	As at End of Current Quarter 31.12.2009 Unaudited RM'000	As at Preceding Financial Year Ended 30.06.2009 Audited RM'000
<b>ASSETS</b>		
<b>Shareholders' Assets</b>		
Property and equipment	30,023	32,456
Prepaid lease payment	3,333	3,291
Investment properties	11,173	11,156
Investments	300,904	267,984
Financing receivables	17,902	14,018
Deferred tax assets	4,039	8,185
Qardh Hasan - receivables	33,044	31,722
Assets held for sale	1,467	1,471
Receivables	60,417	46,741
Cash and bank balances	9,733	7,596
<b>Total Shareholders' Assets</b>	<b>472,035</b>	<b>424,620</b>
<b>Total Family Takaful Assets</b>	<b>3,431,962</b>	<b>3,364,426</b>
<b>Total General Takaful Assets</b>	<b>650,587</b>	<b>640,607</b>
Less Interfund balances	(59,695)	(57,418)
<b>TOTAL ASSETS</b>	<b>4,494,889</b>	<b>4,372,235</b>
<b>LIABILITIES</b>		
<b>Shareholders' Liabilities</b>		
Payables	63,577	46,476
Provision for taxation	4,538	699
<b>Total Shareholders' Liabilities</b>	<b>68,115</b>	<b>47,175</b>
<b>Total Family Takaful Liabilities</b>	<b>203,572</b>	<b>249,052</b>
<b>Total General Takaful Liabilities</b>	<b>288,484</b>	<b>303,640</b>
Less Interfund balances	(59,695)	(57,418)
	500,476	542,449
<b>Family Takaful Fund</b>	<b>3,228,390</b>	<b>3,115,374</b>
<b>General Takaful Fund</b>	<b>362,103</b>	<b>336,967</b>
<b>TOTAL LIABILITIES</b>	<b>4,090,969</b>	<b>3,994,790</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	162,817	162,817
Reserves	210,566	186,677
	373,383	349,494
Minority Interests	30,537	27,951
	403,920	377,445
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4,494,889</b>	<b>4,372,235</b>
<b>Net assets per share (RM)</b>	<b>2.29</b>	<b>2.15</b>

*The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.*



**SYARIKAT TAKAFUL MALAYSIA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009**

	Share Capital RM '000	Share Premium RM '000	Translation Reserves RM '000	Retained Profits RM '000	Minority Interest RM '000	Total Equity RM '000
AT 1 JULY 2008	161,576	3,849	(5,684)	144,624	31,670	336,035
Exchange differences	-	-	2,042	-	1,698	3,740
Net gain not recognised in the income statements	-	-	2,042	-	1,698	3,740
Issue of shares - cash	1,241	249	-	-	-	1,490
Acquisition of additional interest in subsidiary	-	-	-	6,477	(6,477)	-
Profit for the year	-	-	-	39,394	1,060	40,454
Dividend 2008 - Interim	-	-	-	(4,274)	-	(4,274)
<b>AS AT 30 JUNE 2009</b>	<b>162,817</b>	<b>4,098</b>	<b>(3,642)</b>	<b>186,221</b>	<b>27,951</b>	<b>377,445</b>
AS AT 1 JULY 2009	162,817	4,098	(3,642)	186,221	27,951	377,445
Exchange differences	-	-	1,116	-	1,200	2,316
Net gain not recognised in the income statements	-	-	1,116	-	1,200	2,316
Dividend 2009 - Final	-	-	-	(8,854)	-	(8,854)
Profit for the year	-	-	-	31,627	1,386	33,013
<b>AS AT 31 DECEMBER 2009</b>	<b>162,817</b>	<b>4,098</b>	<b>(2,526)</b>	<b>208,994</b>	<b>30,537</b>	<b>403,920</b>

*The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.*





**SYARIKAT TAKAFUL MALAYSIA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED FAMILY TAKAFUL REVENUE ACCOUNT**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009**

	Current Quarter Ended 31.12.2009 RM'000	Corresponding Quarter Ended 31.12.2008 RM'000	Current Year To Date 31.12.2009 RM'000	Corresponding Year To Date 31.12.2008 RM'000
Gross contribution	97,795	106,173	197,612	246,817
Relakaful	(3,845)	(4,375)	(9,670)	(4,670)
Increase in actuarial reserves	27,767	(3,472)	28,543	(12,936)
Net contribution	121,717	98,326	216,485	229,211
Benefits paid and payables	(73,407)	(39,340)	(161,916)	(103,767)
Wakalah fee	(11,672)	(2,136)	(21,576)	(6,216)
Net admin fee	4,344	(2,674)	3,306	(6,615)
Write back allowance for doubtful debts	1,216	-	1,216	-
	42,198	54,176	37,515	112,613
Underwriting profit /(loss)- Individual Family	29,048	54,014	28,809	90,321
Underwriting profit /(loss) - Group Family	11,940	1,349	7,498	23,301
Underwriting profit /(loss) - Group Family ILB	1,211	(1,187)	1,208	(1,009)
	42,199	54,176	37,515	112,613
Underwriting profit /(loss) -Group Family and ILB	13,151	162	8,706	22,292
Investment income	34,507	37,095	77,232	71,798
Other operating income/(expenses) (net)	13,000	(18,079)	57,897	(33,617)
Total profit for the period	60,658	19,178	143,835	60,473
Less: Allocation to special reserves	(1,107)	(630)	(2,718)	(862)
Profit attributable to the Company and participants for the period	59,551	18,548	141,117	59,611
Profit attributable to the Company transferred to income statement	(16,650)	(9,721)	(38,738)	(28,583)
	42,901	8,827	102,381	31,028
Profit payable to participants	(175)	-	(412)	-
Profit attributable to the participants for the period	42,726	8,827	101,969	31,028
Family Takaful Fund at beginning of the period	3,181,135	2,980,298	3,115,374	2,911,266
Underwriting profit - Individual Family	29,048	54,014	28,809	90,321
Profit attributable to the participants for the period	42,726	8,827	101,969	31,028
Movement for the period				
- Actuarial reserves	(27,767)	3,472	(28,543)	12,936
- Excess pay in	1,864	16,766	1,864	16,766
- Unrealised gain in investment	(3,655)	(12,870)	(3,654)	(12,870)
Special Reserve	-	-	-	232
Qardh Hasan	12	(11,232)	(941)	(11,232)
Others	5,027	(9,441)	13,512	(8,613)
Family Takaful Fund at end of the period	3,228,390	3,029,834	3,228,390	3,029,834

*The Unaudited Condensed Consolidated Family Takaful Revenue Account should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.*



**SYARIKAT TAKAFUL MALAYSIA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED**  
**FAMILY TAKAFUL BALANCE SHEET**  
**AS AT 31 DECEMBER 2009**

	As at End of Current Quarter 31.12.2009 Unaudited RM'000	As at Preceding Financial Year Ended 30.06.2009 Audited RM'000
<b>ASSETS</b>		
Investment properties	205,646	204,983
Investment-linked Takaful assets	207,302	193,606
Investments	2,954,265	2,785,629
Financing receivables	5,446	9,382
Receivables	55,421	116,768
Assets held for sale	-	800
Cash and bank balances	3,882	53,258
<b>TOTAL FAMILY TAKAFUL ASSETS</b>	<b>3,431,962</b>	<b>3,364,426</b>
<b>LIABILITIES</b>		
Payables	150,827	186,322
Provision for outstanding claims	38,297	48,130
Investment-linked Takaful liabilities	14,448	14,600
<b>TOTAL FAMILY TAKAFUL LIABILITIES</b>	<b>203,572</b>	<b>249,052</b>
<b>PARTICIPANTS' FUND</b>		
Family Takaful Fund	3,228,390	3,115,374
<b>TOTAL FAMILY TAKAFUL LIABILITIES AND PARTICIPANTS' FUND</b>	<b>3,431,962</b>	<b>3,364,426</b>

*The Unaudited Condensed Consolidated Family Takaful Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.*



**SYARIKAT TAKAFUL MALAYSIA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED GENERAL TAKAFUL REVENUE ACCOUNT**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009**

	Current Quarter Ended 31.12.2009 RM'000	Corresponding Quarter Ended 31.12.2008 RM'000	Current Year To Date 31.12.2009 RM'000	Corresponding Year To Date 31.12.2008 RM'000
Gross contribution	95,189	115,159	186,864	169,818
Retakaful	(34,682)	(53,994)	(59,956)	(66,649)
Net contribution	60,507	61,165	126,908	103,169
Decrease/(increase) in				
unearned contribution reserve	4,319	(637)	764	10,310
Earned contribution	64,826	60,528	127,672	113,479
Net claims incurred	(37,216)	(16,053)	(57,777)	(32,413)
Wakalah fee	(5,445)	(3,145)	(11,284)	(8,989)
Net admin fee	816	(1,992)	(2,650)	(3,807)
Underwriting surplus	22,981	39,338	55,961	68,270
Investment Income	5,671	4,450	11,591	11,151
Other operating income/(expense)	15,638	8,100	10,133	(5,981)
Total profit for the period	44,290	51,888	77,685	73,440
Transfer to Income Statement	(26,768)	(30,573)	(47,297)	(43,187)
Participants' share of profit	17,522	21,315	30,388	30,253
Profit payable to participants	(3,035)	(4,801)	(7,816)	(13,915)
Profit attributable to participants for the period	14,487	16,514	22,572	16,338
Profit attributable to participants at beginning of the period	351,684	265,072	61,650	40,639
Profit attributable to participants as at end of the period	366,171	281,586	84,222	56,977
Unearned contribution reserves	(4,116)	(609)	229,948	182,180
Special Reserve	-	(334)	23,061	21,830
Qardh Hasan	(216)	(2,309)	21,182	15,492
Others	263	1,182	3,689	3,037
General Takaful fund at end of the period	362,102	279,516	362,102	279,516

*The Unaudited Condensed Consolidated General Takaful Revenue Account should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.*





SYARIKAT TAKAFUL MALAYSIA BERHAD  
UNAUDITED CONDENSED CONSOLIDATED  
GENERAL TAKAFUL BALANCE SHEET  
AS AT 31 DECEMBER 2009

	As at End of Current Quarter 31.12.2009 Unaudited RM'000	As at Preceding Financial Year Ended 30.06.2009 Audited RM'000
<b>ASSETS</b>		
Investment properties	28,954	28,954
Investments	555,928	525,028
Financing receivables	3,359	3,478
Receivables	56,948	74,221
Cash and bank balances	5,398	8,926
<b>TOTAL GENERAL TAKAFUL ASSETS</b>	<b>650,587</b>	<b>640,607</b>
<b>LIABILITIES</b>		
Payables	111,822	132,235
Provision for outstanding claims	176,663	171,405
<b>TOTAL GENERAL TAKAFUL LIABILITIES</b>	<b>288,485</b>	<b>303,640</b>
<b>PARTICIPANTS' FUND</b>		
General Takaful Fund	362,102	336,967
<b>TOTAL GENERAL TAKAFUL LIABILITIES AND PARTICIPANTS' FUND</b>	<b>650,587</b>	<b>640,607</b>

*The Unaudited Condensed Consolidated General Takaful Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.*



**SYARIKAT TAKAFUL MALAYSIA BERHAD**  
**GROUP CASH FLOW STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009**  
**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Current Period Ended 31.12.2009 RM'000	Corresponding Period Ended 31.12.2008 RM'000
<b>Cash flows from operating activities</b>		
Profit before zakat and taxation	45,593	11,263
Adjustments for :		
Depreciation	3,602	3,577
Fair value change of investment properties		
Income from financing receivables	(629)	-
Loss on disposal of of quoted shares and unit trusts	18,074	12,870
Loss on disposal of property and equipment and investment property	30	100
(Gain)/loss on foreign exchange	(15,441)	5,961
(Accretion)/ amortization	(2,703)	(2,202)
Allowance for diminution in value of investments	(14,194)	53,707
Profit from Malaysian Government Investment Certificates	(10,981)	-
Property and equipment written off / transfer	4	
Reversal of non-performing financing	-	(7,825)
Increase in General, Family Takaful Funds & Investment Linked Funds	138,152	111,552
Increase in investments	(246,818)	(298,045)
(Decrease)/increase in payables (including claim admitted but not paid)	(39,601)	74,081
Increase/(decrease) in other receivables	77,806	(87,617)
	(47,106)	(122,578)
Zakat paid	(2,075)	-
Income taxes paid	(297)	(1,194)
<b>Net cash used in operating activities</b>	<b>(49,478)</b>	<b>(123,772)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(790)	(2,761)
Transfer of investment properties from property and equipment	(663)	-
Proceeds from sale of Investments and investment properties	800	-
<b>Net cash used in investing activities</b>	<b>(653)</b>	<b>(2,761)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of new share capital	-	1,490
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>1,490</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(50,131)</b>	<b>(125,043)</b>
Cash and cash equivalents at the beginning of period	77,059	167,321
<b>Cash and cash equivalents at the end of period</b>	<b>26,928</b>	<b>42,278</b>
<b>Cash and bank balances</b>		
- Shareholders' Fund	9,733	12,660
- Family Takaful Fund	3,882	6,527
- Investment Link Takaful Fund	7,915	6,908
- General Takaful Fund	5,398	15,970
- Assets held for sale	-	213
	<b>26,928</b>	<b>42,278</b>

*The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 30 June 2009.*



# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FINANCIAL PERIOD ENDED 31 DECEMBER 2009

### 1 Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134 "Interim Financial Reporting" and the applicable disclosure provision of the Main Market Listing Requirements (Chapter 9 Part K) of the Bursa Malaysia Securities Berhad.

The interim financial statements have been prepared using consistent accounting policies with the audited financial statements for the financial year ended 30 June 2009 and should be read in conjunction with the aforementioned audited financial statements.

The Group and the Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective to the Group and Company:

FRSs / Interpretations	Effective date
<i>Amendments to FRS 1, First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	1 January 2010
<i>Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations</i>	1 January 2010
<i>Amendments to FRS 132, Financial Instruments: Presentation and FRS 101, Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i>	1 January 2010
<i>Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments: Disclosures and IC Interpretation 9, Reassessment of Embedded Derivatives</i>	1 January 2010
<i>Amendments to FRS 139, Financial Instruments: Recognition and Measurement</i>	1 January 2010
<i>Improvements to FRSs (2009)</i>	1 January 2010
<i>FRS 4, Insurance Contracts</i>	1 January 2010
<i>FRS 7, Financial Instruments: Disclosures</i>	1 January 2010
<i>FRS 101, Presentation of Financial Statements</i>	1 January 2010
<i>FRS 123, Borrowing Costs (revised)</i>	1 January 2010
<i>FRS 139, Financial Instruments: Recognition and Measurement</i>	1 January 2010
<i>IC Interpretation 9, Reassessment of Embedded Derivatives</i>	1 January 2010
<i>IC Interpretation 10, Interim Financial Reporting and Impairment</i>	1 January 2010
<i>IC Interpretation 11, FRS 2 - Group and Treasury Share Transactions</i>	1 January 2010
<i>IC Interpretation 13, Customer Loyalty Programmes</i>	1 January 2010
<i>IC Interpretation 14, FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction</i>	1 January 2010

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations from the annual period beginning on 1 July 2010 except for IC Interpretations 13 and 14 which are not applicable.

The impact of applying FRS 4, FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FINANCIAL PERIOD ENDED 31 DECEMBER 2009

Accounting Estimates and Errors is not disclosed by virtue of the exemption given in the respective FRSs. The initial application of the other standards, amendments and interpretations is not expected to have any material impact on the financial statements or any material change in accounting policy except as follows:

IC Interpretation 10, Interim Financial Reporting and Impairment

IC Interpretation 10 will become effective for the financial statements of the Group and the Company for the financial year ending 30 June 2011. IC Interpretation 10 prohibits the reversal of an impairment loss that has been recognised in an interim period during a financial year in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. In accordance with the transitional provisions, the Group and the Company will apply IC Interpretation 10 to goodwill, investments in equity instruments, and financial assets carried at cost prospectively from the date the Group and the Company first applied the measurement criteria of FRS 136, Impairment of Assets and FRS 139, Financial Instruments: Recognition and Measurement respectively.

### 2 Auditors' Report

The auditors' report on the audited financial statements of the preceding year ended 30 June 2009 did not contain any qualification.

### 3 Seasonality of operations

The Group's operations are not materially affected by seasonal or cyclical factors.

### 4 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial quarter ended 31 December 2009.

### 5 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these activities.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2009.

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FINANCIAL PERIOD ENDED 31 DECEMBER 2009

### 6 Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial quarter under review.

### 7 Dividends

The shareholders at the Annual General Meeting held on 12 November 2009 approved a final dividend of 7.25% less 25% income tax in respect of the financial year ended 30 June 2009 as proposed by the Directors. The final dividend was paid on 11 December 2009.

No dividend was declared for the financial quarter under review.

### 8 Segmental Reporting

#### Geographical Segments

	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
6 months ended 31.12.2009			
Revenue from external participants	391,436	87,084	478,520
Profit before zakat and tax	41,778	3,815	45,593
As at 31.12.2009			
Segments assets by location of assets	4,132,747	362,142	4,494,889

#### Geographical Segments

	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
6 months ended 31.12.2008			
Revenue from external participants	402,751	89,021	491,772
Profit/(loss) before zakat and tax	10,351	912	11,263
As at 31.12.2008			
Segments assets by location of assets	4,047,132	181,361	4,228,493



# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FINANCIAL PERIOD ENDED 31 DECEMBER 2009

### 9 Investment Properties

The valuation of investment properties has been brought forward without amendment from the annual audited financial statements for the year ended 30 June 2009.

### 10 Material Events Subsequent to the End of the Period

There is no material event subsequent to the end of the period under review that has not been reported in the interim financial statements for the current financial quarter.

### 11 Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statement as at and for the year ended 30 June 2009.

### 12 Changes in Composition of the Company/Group

There is no change in the composition of the Group for the current financial quarter under review.

### 13 Contingent Liabilities

Prior to the amendments of Section 60AA of the Income Tax Act 1967 (Section 60AA), capital allowances had been claimed by way of deduction from tax adjusted income in both General and Family Takaful Funds whilst the Shareholders Fund is not entitled to claim capital allowances. The amended Section 60AA stipulates that the tax adjusted income of the Shareholders' Fund shall be ascertained by taking into account the amount of income distributed or credited from Family and General Takaful Funds and as a result both General and Family Takaful Funds would have nil tax adjusted income. As such, capital allowances claimable for the years of assessment from 1997 to 2009 would be carried forward indefinitely as the operator's share of profits from the Family and General Fund will be taxed in the Shareholders Fund.

The Company has presented the issue on non-deductibility of capital allowances to the Ministry of Finance (MOF) on 30 March 2009. The MOF has agreed to review the tax issue and thereafter, will advise the Company accordingly. No provision has been made by the Company for the potential tax liabilities of the previous and current years pending the outcome of the said discussion and future appeals. The potential tax exposure to the Company assuming that the deduction of capital allowances in Shareholders' Fund is rejected by the MOF is approximately RM24.4 million.

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FINANCIAL PERIOD ENDED 31 DECEMBER 2009

### 14 Review of Performance

For the 2<sup>nd</sup> quarter ended 31 December 2009, the Group generated Operating Revenue of RM235.2 million, a decrease of 7.3% compared to RM253.7 million in the corresponding quarter of the preceding year. The half year Operating Revenue decreased by 2.7% to RM478.5 million from RM491.7 million in the same period preceding year mainly due to lower contribution generated by Family Takaful Fund.

For the quarter under review, Family Takaful recorded Gross Contribution of RM97.8 million, against RM106.2 million for the same period last year and General Takaful generated Gross Contribution of RM95.2 million compared to RM115.2 million in the corresponding quarter of the preceding year. For the 6 months' period, Family Takaful generated Gross Contribution of RM197.6 million compared to RM246.8 million in the corresponding period last year whereas the General Takaful recorded Gross Contribution of RM186.9 million compared to RM169.8 million last year. The General Takaful business recorded contribution growth of 10.1% for the 6 months period, mainly from Motor and Fire lines of business.

The surplus transfer in the quarter under review from Family Takaful revenue accounts was RM16.7 million, while the surplus transfer from General Takaful revenue was 26.8 million. For the 6 months' period under review, the surplus transfer from Family Takaful revenue accounts increased by RM10.2 million to RM38.7 million as compared to the same period last year while General Takaful recorded RM47.3 million compared to RM43.2 million last year. The higher surplus transfer from Family Takaful revenue account is mainly due to better investment results arising from higher realized gain on disposal of investments and write back of allowance for diminution in value of investments as oppose to an allowance been made in the preceding year. The General Takaful also reported higher surplus mainly due contributions growth, coupled with write back of both allowance for doubtful debts and allowance for diminution in value of investments.

For the 6 months' period, the Profit Before Tax and Zakat of the Group has increased by RM34.3 million to RM45.6 million compared to the same period last year. Beside the higher surplus transfer as explained in the preceding paragraph, the higher profit is also attributable to higher wakalah fees, better investment results and lower operating expenses.

### 15 Material Changes in the Quarterly Results Compared to the Results of the Preceding Financial Quarter

For the quarter under review, the Operating Revenue registered RM 235.2million as compared to preceding quarter of RM 243.3million. The Profit Before Tax and Zakat registered RM 20.7million as compared to preceding quarter of RM24.8million. The lower profit is mainly attributable to higher operating expenses.

Higher surplus transfer noted from General Takaful of RM 26.8million compared to RM 20.5 million of preceding quarter. This is due to the write back of allowance for doubtful debts and realized gains from disposal of investments. Family Takaful reported a lower surplus transfer of RM 16.7 million as compared to preceding quarter of RM 22.1million. In the preceding quarter, Family Takaful benefited from significant write back of diminution in value of investments and realized gains from disposal of investments, which led to a higher surplus transfer.

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FINANCIAL PERIOD ENDED 31 DECEMBER 2009

### 16 Current Year Prospects

The Company is gearing for growth in the current financial year with the introduction of new products and new retail distribution network. The Company continues to improve on operational efficiency and customer service. However, the Company would remain prudent in its investment strategy considering the uncertainty in the pace of the economic recovery.

### 17 Variance of actual profit from profit forecast or profit guarantee

The Group did not issue any profit forecast nor profit guarantee during the financial year under review.

### 18 Taxation

The effective rate of taxation is lower than the statutory tax rate mainly because of certain income of the Company is non-taxable in accordance with the Income Tax Act 1967.

	3 months ended		6 months ended	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Current tax:-				
- Current financial year	6,431		6,431	-
- Overprovision in prior years	-	(2,020)	-	(2,405)
	<u>6,431</u>	<u>(2,020)</u>	<u>6,431</u>	<u>(2,405)</u>
Deferred tax:-				
- Current financial year	(611)	1,590	5,284	2,255
	<u>5,820</u>	<u>(430)</u>	<u>11,715</u>	<u>(150)</u>

### 19 Unquoted investments and properties

There was no sale of unquoted investments and/ or properties for the quarter under review and financial period to date.

### 20 Status of Corporate Proposal

There has been no new corporate proposal since the date of the last quarterly report.

### 21 Quoted investments

This disclosure is not applicable to insurance/takaful companies.



# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FINANCIAL PERIOD ENDED 31 DECEMBER 2009

### 22 Group Borrowings and Debt Securities

The Group does not have any borrowings and debt securities as at 31 December 2009.

### 23 Off Balance Sheet Financial Instruments

As at the date of this report, the Group has not entered into any off-balance sheet financial instruments.

### 24 Material Litigation

There were no material litigations pending as at the date of this announcement.

### 25 Earnings per Share

#### (a) Basic earnings per share ("Basic EPS")

Basic EPS of the Group is calculated by dividing the net profit attributable to ordinary shareholders for the period by the weighted average number of ordinary shares in issue during the period.

		3 months ended		6 months ended	
		31.12.2009	31.12.2008	31.12.2009	31.12.2008
Net profit attributable to shareholders	(RM'000)	13,955	6,085	31,627	7,568
Weighted average number of ordinary shares in issue	('000)	162,817	162,453	162,817	162,453
		<u>162,817</u>	<u>162,453</u>	<u>162,817</u>	<u>162,453</u>
Basic earnings per share	(sen)	<u>8.57</u>	<u>3.75</u>	<u>19.42</u>	<u>4.66</u>

**SYARIKAT TAKAFUL MALAYSIA BERHAD**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FINANCIAL PERIOD ENDED 31 DECEMBER 2009**

(b) Diluted earnings per share ("Diluted EPS")

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of shares in issue adjusted for potential dilutive ordinary shares arising from share options granted to employees.

		3 months ended		6 months ended	
		31.12.2009	31.12.2008	31.12.2009	31.12.2008
Net profit attributable to shareholders	(RM'000)	13,955	6,085	31,627	7,568
Weighted average number of ordinary shares in issue	('000)	162,817	162,453	162,817	162,453
		<u>162,817</u>	<u>162,453</u>	<u>162,817</u>	<u>162,453</u>
Diluted earnings per share	(sen)	<u>8.57</u>	<u>3.75</u>	<u>19.42</u>	<u>4.66</u>

26 Limited Review by External Auditor

A limited review was performed by the external auditor on the interim financial statements for this quarter ended 31 December 2009.

By Order of the Board

**MOHAMAD ASRI BIN HAJI YUSOFF**  
 Company Secretary (MIA 14171)  
 Kuala Lumpur, 23 February 2010